

Gap Inc.

GPS Services
Two Folsom Street
San Francisco, CA 94105-1205

Friday, September 28, 2007

Kelly A. Ayotte, Esq.
Attorney General
New Hampshire Department of Justice
33 Capitol Street
Concord, NH 03301
(603) 271-3658

VIA FEDEX

We are writing to inform you about a recent data security incident involving the personal information of New Hampshire residents.

As described in the attached letter to potentially affected individuals, on September 19, 2007, Gap Inc. learned that two (2) laptop computers were stolen from the office of an experienced third party vendor that manages job applicant data for Gap Inc. One of these laptops contained the names and Social Security numbers of applicants who applied for store positions with Gap Inc.'s Old Navy, Gap, Banana Republic and Outlet Stores between July 2006 and June 2007. The laptop was password protected but the data was not encrypted. The fact that this data was not encrypted is contrary to our agreement with the vendor.

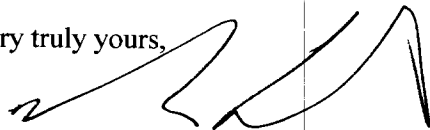
Gap Inc. has no reason to believe the data contained on the laptop was the target of the theft or that the personal information has been accessed or used improperly.

Shortly after discovering that the laptop was missing, the vendor notified law enforcement authorities and an investigation of the theft is currently underway. We are cooperating with law enforcement and will continue to do so as long as the investigation is on-going. In addition, our vendor has taken immediate steps towards implementing additional security measures at its offices.

Through our internal investigation following this incident, we have determined that the laptop included personal information regarding approximately 2,200 individuals residing in New Hampshire. We are currently in the process of notifying these individuals. We are also in the process of notifying the following credit reporting agencies: Equifax, Trans Union and Experian.

Please contact me at 415-427-4151 if you have questions.

Very truly yours,



Mark Epstein
Corporate Counsel
Gap Inc.

Attachment

Gap Inc.

September 28, 2007

Dear Applicant,

I'm writing to you about a recent incident concerning some personal information you provided to us when you applied for employment with Gap Inc.—including our Old Navy, Gap and Banana Republic brands—between July 2006 and June 2007.

On September 19, 2007, we learned that two laptop computers were stolen from an office of an experienced, third party vendor that helps Gap Inc. manage job applicant data. Unfortunately, one of the laptops contained personal information you provided to us, including your name and Social Security number.

I know that this news is unsettling and Gap Inc. deeply regrets this incident occurred.

You can be assured that we take our obligation to protect the data security of personal information very seriously. The fact that your information was not encrypted is contrary to our agreement with this vendor and against everything we stand for as a company.

We and the vendor are cooperating with law enforcement authorities on this matter and an investigation is underway. In addition, the vendor has adopted additional security measures at its office. We're also reviewing the facts and circumstances that led to this incident closely, and will take appropriate steps to help prevent something like this from happening again.

At this time, we have no reason to believe the data contained on the computer was the target of the theft or that the personal information has been accessed or used improperly.

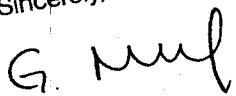
Nonetheless, to help you safeguard your personal information, we've made arrangements to offer you 12 months of credit monitoring with fraud assistance—at no cost to you. On the back of this letter, you'll find a description of the credit monitoring product and registration information. In addition, you'll find some recommendations on other options available to help protect you against identity theft or other fraudulent use of your personal information. I encourage you to learn more about these issues and how you can protect yourself.

We're eager to help answer your questions and to explain how to activate credit monitoring. You can contact us right now by:

- Calling the special, toll-free Gap Inc. Security Assistance Helpline, 866-237-4007. A representative will be available to assist you seven days a week, 24 hours per day.
- Visiting a special Web site: www.gapsecurityassistance.com. If you update this Web site with any new information, you will have questions, please contact us.

Thank you for your understanding as we work through this situation.

Sincerely,



Glenn Murphy
Chairman and CEO, Gap Inc.

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